



Summary of Year Two Research Findings

Indigenous Community Governance Project



Acknowledgements

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Building Indigenous Community Governance in Australia: Preliminary Research Findings and Indigenous Community Governance Project: Year Two Research Findings were written by Janet Hunt, CAEPR Fellow and Senior Research Manager and Diane Smith, CAEPR Fellow and a Chief Investigator with the Indigenous Community Governance Project.

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Overview

The Indigenous Community Governance Project (ICGP) is exploring the nature of Indigenous community governance in Australia **to understand what works, what doesn't work, and why**. This is a summary of the findings of the second research report by the ICGP including policy considerations.

The second report, *Indigenous Community Governance Project: Year Two Research Findings*¹, strongly reinforces the conclusions and relevance of the key issues raised in the project's preliminary research report, *Building Indigenous Community Governance in Australia: Preliminary Research Findings*².

Findings and policy considerations relate to the complexity of Indigenous community governance, leaders and leadership, Indigenous principles of governance, cultural match and legitimacy, capacity development and institution building and the need for governments to improve their own governance.

These findings are based on detailed evidence from over a dozen different case studies of Indigenous community governance in action. The ICGP case studies are based on research sites drawn from a diverse range of community, geographical, cultural and political settings across Australia

For background and more detailed information on the ICGP findings please refer to the report at http://www.anu.edu.au/caepr/ICGP_home.php

The findings reported here draw on a comparative analysis of detailed research evidence provided over 2006 in Project researchers' Field Reports, case study reports and published papers from the following:

- Anmatjere Community Government Council (ACGC), NT—Will Sanders and Sarah Holcombe
- Bunuba Inc. and Kurungal Inc., West Kimberley, WA—Kathryn Thorburn
- Laynhapuy Homelands Association, Yirrkala, NT—Frances Morphy
- Bawinanga Aboriginal Corporation and homelands, Maningrida, NT—Jon Altman
- NT Government Regional Authorities policy frameworks, and the West Central Arnhem Land Regional Authority Interim Council, NT—Diane Smith
- Thamarrurr Regional Council, Wadeye, NT—Bill Ivory
- Wiluna governance environment, WA—Christina Lange
- Noongar regional governance, WA—Manu Barcham
- Yarnteen Aboriginal and Torres Strait Islander Corporation, Newcastle, NSW—Diane Smith
- The Australian Government Secretaries' Group on Indigenous Affairs, Canberra—Bill Gray and Will Sanders
- International and national frameworks for capacity and community development—Janet Hunt

¹ J Hunt and DE Smith, 2007, CAEPR Working Paper No 36, CAEPR, CASS, ANU, Canberra

² J Hunt and DE Smith, 2006, CAEPR Working Paper No 31, CAEPR, CASS, ANU, Canberra

The complexity of Indigenous Community Governance

It's important to recognise when looking at Indigenous community governance that the concept of *community* is not universal. There are varied and complex forms of *community* other than geographic settlements.

The varieties and complexities of types of communities and the multilayered affinities *within* them are at the heart of many contemporary governance challenges for representative organisations and highlight the need for tailored, rather than 'one size fits all' solutions.

The research is showing many organisations are facing manifold and often conflicting pressures from within the community they service, from funding bodies and governments and often find themselves constantly balancing competing obligations and responsibilities in a context of scarce resources.

Additionally, increasing pressure on organisations to fulfil multiple service-delivery requirements, including many outside their official responsibilities, is impacting the effectiveness of these already stretched organisations.

According to projections this pressure will only increase as many Indigenous communities are demographic hot spots; areas where trends such as rapid population growth and an increasingly youthful population are predicted to take effect. This highlights the pressing need for policy responses in supporting and strengthening community capacity.

Policy considerations

Community service delivery needs to be fully costed in order to highlight where the gaps are that are causing the strain on community organisations. Given that many community organisations are filling these gaps on a needs rather than contractual basis, equally important is an audit of their actual functions. Together, costing service delivery and auditing the true functions of community organisations will be able to assist governments in improving community service delivery and ease the burden on community organisations.

There is a need for government agencies to develop a more sophisticated understanding of the different types of Indigenous communities. Policy frameworks and program guidelines that more accurately reflect the diversity of conditions and needs in different types of Indigenous communities will allow organisations to more flexibly respond to their particular challenges.

A significant investment in strengthening Indigenous governance arrangements and capacity building is required in order to enable Indigenous community organizations to better manage the major economic and social changes associated with population growth.

The case studies report that it can be extremely hard for organisations to keep a focus on their core functions, values and goals when there are so many different expectations and demands from their members and constituents.

While some of their organisational roles are funded, the research is reporting that many of the roles expected by their constituents are not. These include matters related to banking, taxation and money issues, welfare advice, telephone calls to track down hospitalised, absent or imprisoned relatives, arranging funeral support, youth support, family issues, and dealing with a diverse range of government and private-sector inquiries.

Every organisation examined in the case studies is undertaking extra social support functions, helping individuals, families and groups to manage their lives and their interactions with non-Indigenous society. The consequence is a growing—not diminishing—pressure and workload on community, staff and governing bodies.

Leaders and Leadership

Leaders play a critical role in the effectiveness of Indigenous community governance and more broadly in wider regional decision-making processes.

Findings from the 2006 data indicate that Indigenous leaders form networks within and across communities and regions. Prominent leaders within these networks demonstrate an ability to mobilise people and resources, and are able to draw upon other leaders within their networks.

Researchers have noted that there are leaders who are capable of managing an organisation's relationships with government and other outsiders as well as those whose status is more culturally and age-based, though these categories are not mutually exclusive. Communities base their choices about their leaders on a multi-faceted value system where cultural legitimacy, community standing, inheritance and intercultural skill are among a series of important factors.

Given the opportunity and support, Indigenous people more effectively determine their own representative and decision-making processes. The research shows these processes are often Indigenous-specific and do not necessarily match western liberal democratic concepts.

To be effective, governments need to recognise the different leadership networks and leadership selection processes operating in communities both within and outside of organisations.

Policy considerations

Indigenous governing members and other leaders in organisations require ongoing development in order to better understand their different roles and responsibilities in relation to management and governance. Facilitated, place-based, governance training can support board members and other leaders to clarify their respective roles and develop workable policies.

Consideration needs to be given to strategies to reduce the isolation of Indigenous governing members/councillors and leaders in organisations, particularly in remote regions, to enhance their access to wider leadership and information networks, and strengthen their communication with each other.

When meeting with communities or community organisations, visitors need to ensure they are engaging with the right leaders for the particular issue at hand. Undermining properly authorised leadership, whether inadvertently or deliberately, will not strengthen Indigenous governance.

A case study at **Wadeye** shows that leadership succession happens very smoothly—almost invisibly—as there is a clear hierarchy of leaders. Leadership may emanate from descent to country and kinship, as well as personal qualities and experience, with leaders’ authority, influence and control increasing with age in ‘an ever-expanding web’, at times spanning huge tracts of country. At **Maningrida**, the leadership group comprises senior men and women (35 years or older) who represent the key language, community and family interests, and who have some basic literacy, numeracy and communication skills, as well as public presence. The research notes that the residential fluidity between the town, outlying areas and beyond affects leadership patterns, although the authority of senior traditional owners over certain matters in the town seems absolute.

Indigenous Principles of Governance

The research has identified a number of Indigenous governance design principles and rules that appear to be relevant across different types of rural, remote and urban settings.

These principles show how Indigenous people are designing their preferred governing arrangements and could be useful in informing government strategies for engaging with and more effectively supporting organisations. Listed below are some of these key principles:

- **Networks** or systems of governance are central to all the other principles of Indigenous governance. The network principle shows that groups, organisations and communities are joined up and powers and responsibilities are delegated within the network. Networks may not be obvious or clearly apparent but are nonetheless a key feature of Indigenous community governance.
- **Decision making authority** in the network, when possible, is made closest to the group who are going to be affected by the decision and ideally by that group or their representatives.
- **Leaders** within the network who are influential become strong connecting points in the network and either strengthen or weaken governance networks depending on their legitimacy.
- **Relationships and shared connections** are the foundation of networks. Groups must balance the need for autonomy with the need for larger scale representative structures.
- **Governance histories** play a role in determining the existing arrangements and tensions. Working through these histories can be helpful in understanding present issues.
- **Connections** between networks are pivotal and require strengthening in order to ensure more isolated networks can survive.

Policy considerations

Governments urgently need to provide more enabling policy frameworks and program guidelines that actively promote Indigenous capacity and authority to:

- work through their governance histories;
- define their contemporary relationships for the purpose of governance and;
- determine appropriate cultural geographies, and build the legitimacy and institutions for their governance.

Awareness of these design principles will also assist in orienting the focus of funding packages and the delivery of their programs to align with the overall networking of governance in a community or region, and in line with the internally agreed division of roles and responsibilities negotiated among the Indigenous organisations and communities in each location.

While there are numerous accounts of the operation of regional and community organisations, and countless external reviews of the effectiveness of their governance arrangements, we have very few accounts of the processes of how Indigenous people and those working with them are actually designing their preferred governing arrangements in communities and organisations.

The second year of ICGP research in 2006 provided insights into these processes. It also confirmed and extended the preliminary conclusion from 2005, namely, that there are common underlying design principles and institutional mechanisms guiding Indigenous decisions about their governance.

Importantly, these Indigenous principles and mechanisms appear to be broadly relevant across the different types of community case studies, and across different governance environments. As such, they may have considerable broader value for Indigenous efforts and government policy making.

Cultural Match and Legitimacy

Governance arrangements that are legitimate 'two ways' are the most effective. Legitimate governance arrangements need to reflect or resonate with Indigenous views of how authority should be organised and exercised.

An effective and accountable organisation in a corporate governance sense also gains legitimacy because of its capacity to obtain and maintain funds and resources for its members from governments and other sources and acquit those funds satisfactorily.

Achieving 'cultural match' is gaining and maintaining legitimacy in both domains. This is not an easy task.

The research shows that legitimacy is based on genuine decision-making authority, the quality of leadership and institutions that have cultural credibility. Very few Indigenous people actually use the words 'cultural legitimacy' even as they work to achieve it. But there are a host of other normative concepts used to describe legitimate governance processes and outcomes, such as 'proper one', 'right way' and 'culturally appropriate'.

To be judged as legitimate by Indigenous people, governance arrangements need to be developed by them as a result of informed choice. Legitimacy also requires the practical capacity to get things done.

Indigenous organisations often struggle to maintain organisational practices and programs consistent with their cultural institutions in the face of contrary requirements imposed by governments. This cultural contestation can create strain and conflict.

Policy considerations

Government policy frameworks will better support the growth of 'two-way' effectiveness and accountability in Indigenous organisations by adopting a community development approach to governance, which strengthens legitimacy through capacity and institution building rather than focusing primarily on financial and technical compliance.

Once Indigenous people have developed representative structures and governance processes that make cultural sense to them, governments and other stakeholders can make a major contribution to their sustained legitimacy and effectiveness by recognising and dealing with those arrangements, and by continuing to support ongoing Indigenous initiatives to internally monitor and strengthen their governance designs.

The early development of **Western Central Arnhem Regional Authority** illustrates most clearly these efforts at achieving ‘two-way’ legitimacy and cultural match or fit. A range of *Bininj* (Indigenous) ‘design principles’ are being used to shape the formation of this Regional Authority to date. The concept of ‘cultural balance’ or ‘working both ways’ was evident in many respects, starting with the very definition of the Regional Authority boundary.

Importantly, getting the balance of *Bininj* and *Balanda* (non-Indigenous) ways is viewed by the Aboriginal people involved as ‘using tradition to strengthen the Regional Authority and using the Regional Authority to strengthen traditional systems of governance.’ The value of this joint approach to the leadership is such that it has been written into their draft constitution. The proposed WCARA governance structure involves five wards. From each ward three members are elected through a standard electoral process involving all residents, and one traditional owner is selected through a *Bininj* decision-making process involving owners of the lands covered by the ward.

Capacity Development and Institution Building

Capacity development for Indigenous community organisations means real opportunities and processes accessible to people to develop and strengthen the chosen capabilities they need to perform functions, solve problems, set and achieve their goals—that is, to get things done.

Unfortunately the 2006 research shows that the delivery of place-based capacity development for Indigenous governance remains ad hoc, poorly coordinated, poorly funded and poorly monitored. The case studies reveal that where a facilitated community development approach is taken to governance development on the ground, greater progress is made in creating sustained capacity and legitimacy.

Institutions, or rules, of governance are most effective when they are designed and adapted by those to whom they apply. The research has found that when Indigenous people develop their own institutions rather than adopt externally created rules, governance is strengthened.

Policy considerations

The adoption and funding of a more sustained community-development approach to building governance capacity should be regarded as a priority by governments and their departments at all levels.

A national, sector-wide human resource development strategy is required to build the Indigenous workforce for governance. This strategy should include:

- identification of the governance skills required at all levels in Indigenous organisations, but particularly in management and governing committees
- the encouragement and resourcing of more Indigenous people to gain those skills
- provision in government funding agreements and grants for on-the-job training and mentoring that targets governance skills as part of professional careers development in organisations.

There is a need for a more comprehensive, sector-wide strategy to support efforts to build the capabilities of Indigenous people involved in board governance within organisations. The strategy would include training, creating networks of mentoring and leadership, developing resources, information and support for Indigenous board members. A strong feature should be peer support which Independent third sector organisations might be well placed to provide.

What is clearly required is government support for an independent Australian Indigenous Governance Institute to:

- foster, encourage, communicate and disseminate best practice in Indigenous governance and design
- encourage, facilitate and where possible collaborate with relevant bodies at the national, state, territory and local levels to develop practical, culturally-informed educational and training materials, tools and resources to support the delivery of governance and organisational development at the local level
- facilitate and implement the development of train the governance trainer and mentoring courses, particularly targeted at developing a sustainable pool of Indigenous people with requisite professional skills, and commission and undertake applied research to support those functions.

The development of such an institute must be a core part of the next phase of the research project.

One researcher noted, ‘there has been far too little investment in education and governance training in the last 30 years to equip people with the requisite skills for effective governance’. In remote areas particularly, the necessary ongoing organisation-specific training is currently not available to help people in small, voluntary kinship-based organisations understand corporate governance requirements.

While some Indigenous board members in larger organisations may have completed ORAC governance training, it seems that the majority learn on the job, and even some of those who have been formally trained may continue to operate in ways that reflect little evidence of it. On the other hand, ongoing place-based interactive training for council members, carefully targeted to their context and immediate needs, using simple visual materials seems to be having significant impact.

The need for governments to improve *their* governance

2006 evidence shows that communities are finding the current whole-of-government approach fragmented and confusing.

Based on evidence from the ICGP case studies, it appears that current whole-of-government policy frameworks and goals are not matched by departmental program funding arrangements, or by the implementation of place-based initiatives in Indigenous contexts. Indeed, there appears to be a significant mismatch between policy purposes and policy implementation on the ground.

While there have been some positive program initiatives by individual government officers and offices observed in the case studies, significant challenges are evident in the implementation of these arrangements on the ground.

There are also major gaps in governments' own capacity to support Indigenous capacity development, and to support integrated funding initiatives and accountability. This is a significant and important challenge for governments to grasp. Urgent work is required to develop bipartisan policy frameworks, agreed between jurisdictions, to provide policy and funding stability within which stronger Indigenous governance can develop.

Policy considerations

Reform of financial arrangements in Indigenous Affairs is required to ease the administrative burden on organisations dealing with multiple funding streams.

Governance and capacity-development projects are hindered by the existing multiplicity of funding and reporting arrangements and poor inter and cross agency coordination affecting community organisations.

When regional agreements and partnerships are developed they should include, as an integral component and goal, the sustained development of governance effectiveness and capacity.

Best-practice approaches to building governance within regional agreements will need to be based on recognised Indigenous governance networks within an agreed region and to accommodate clear divisions of roles and responsibilities between the regional layers of organisations and groups.

All governments should give serious consideration to strengthening the provision of public sector training regarding Indigenous policy and program implementation issues. Specifically, bureaucratic skills need to be enhanced to meet the challenges of shaping and implementing policy to develop stronger Indigenous governance at the local and regional levels.

There is a mismatch between government policy strategies and the structures for implementation, particularly in relation to funding arrangements. With government policy in many jurisdictions increasingly focusing on the development of regional initiatives, centralised departmental funding silos remain influential and act as a constraint on the development of integrated regional budgets to support regional governance strategies and priorities. They also undermine sustained coordination between departments.

The institutional mechanisms of governance within and between governments need substantial reform if Indigenous community governance is to be improved. Trilateral agreements over regional areas between governments and networks of Indigenous communities may be a promising way forward. But the findings emerging from the ICGP case study research and the lessons of the COAG trials need to be applied if more comprehensive regional agreements are to succeed.



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